

WESLACO CITY COMMISSION

REGULAR MEETING

MARCH 18, 2008

On this 18th day of March, 2008 at 5:09 p.m., the City Commission of the City of Weslaco, Texas convened in Regular Session at City Hall in the Legislative Chamber, located at 255 South Kansas Avenue.

NOTE: If any accommodation for a disability is required, notify the City Secretary's Office at (956) 968-3181, Ext 3101 prior to the meeting date.

NOTE: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the City Commission will convene in such executive or closed session whether or not such item is posted as an executive session item at any time during the meeting when authorized by the provisions of the Texas Open Meetings Act.

Mayor	Buddy de la Rosa
Mayor Pro-Tem	J.F. "Johnny" Cuellar
Commissioner	Soyla R. Gonzalez
Commissioner	Adrian Gonzalez
Commissioner	Rene Rodriguez, Jr.
City Manager	Anthony Covacevich
City Secretary	Amanda C. Elizondo
City Attorney	Ramon Vela

Also present: Jim Hiebert, Finance Director; Pete Garcia, Parks & Recreation Director; Gloria Sepulveda, Purchasing Director; Adrian Torres, Senior Planner; and several staff members and citizens. Mayor Pro-Tem Cuellar called the meeting to order, a quorum was established and the following proceedings were held.

Pastor Rene Vega, from the Faith Church of Weslaco, gave the invocation. Mayor Pro-Tem Cuellar recited the Pledge of Allegiance and the Pledge to the Texas Flag.

I. CONSENT AGENDA

NOTICE TO THE PUBLIC

The following items are of a routine or administrative nature. The City Commission has been furnished with background and support material on each item, and/or it had been discussed at a previous meeting. All items will be acted upon by one vote without being

discussed separately unless requested by one commission member or a citizen, in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote. Possible action.

A. Approval of Minutes

1. Regular Meeting of March 4, 2008

B. Second and final reading of the following ordinances:

1. Ordinance No. 2008-07 amending Zoning Ordinance No. 320 and amending the Zoning Map of the City of Weslaco to change the zoning of a 7.73 acre tract of land out of Farm Tract 115, West Tract Subdivision located at 3127 N. Texas Blvd. from "R-1" One Family Dwelling District Zoning to "R-2" Duplex and Apartment District Zoning. Possible action.
2. Ordinance No. 2008-08 providing standards and specifications to require the installation of fire hydrants with fire flow as required by the current International Fire Code and ordaining other matters with respect to the subject matter hereof. Possible action.
3. Ordinance No. 2008-10 providing standards and specifications to require proposed subdivisions within the City of Weslaco service area shall provide to the City of Weslaco water rights sufficient to meet the water demand created by the development and ordaining other matters with respect to the subject matter hereof. Possible action.

C. Request from the Viejitos Car Club to use the Weslaco City Park, Saturday, June 21, 2008 to host their 5th Car Club Anniversary and to have free live entertainment and waive all fees associated with the event. Possible action.

D. Request from the Rio Grande Valley Quilt Guild to use the Historic City Commission Room located on 500 South Kansas Avenue to conduct sessions of sewing and designing and teaching the art of quilting. Possible action.

Commissioner S. Gonzalez requested to remove Item B. 2 from the consent agenda.

Mr. Anthony Covacevich, City Manager stated Item B. 1 required a 4/5 vote.

Motion was made by Commissioner A. Gonzalez and seconded by Commissioner S. Gonzalez to approve the consent agenda with the exception of Item B. 2. Motion was carried with a vote 4 to 0.

Commissioner S. Gonzalez stated there might be some consequences with new developments in the city's extra territorial jurisdiction (ETJ) and surrounding areas. She recommended that a workshop be held to further discuss Item B.2.

Mr. Covacevich recommended that no action be taken on Item B. 2.

For the record, the following ordinances read as follows:

ORDINANCE NO. 2008-07

AN ORDINANCE AMENDING ZONING ORDINANCE NO. 320 AND AMENDING THE ZONING MAP OF THE CITY OF WESLACO TO CHANGE THE ZONING OF A 7.73 ACRE TRACT OF LAND OUT OF FARM TRACT 115, WEST TRACT SUBDIVISION, LOCATED AT 3127 N. TEXAS BLVD., FROM "R-1" ONE FAMILY DWELLING DISTRICT ZONING TO "R-2" DUPLEX AND APARTMENT DISTRICT ZONING.

ORDINANCE NO. 2008-10

PROVIDING STANDARDS AND SPECIFICATIONS TO REQUIRE PROPOSED SUBDIVISIONS WITHIN THE CITY OF WESLACO SERVICE AREA SHALL PROVIDE TO THE CITY OF WESLACO WATER RIGHTS SUFFICIENT TO MEET THE WATER DEMAND CREATED BY THE DEVELOPMENT AND ORDAINING OTHER MATTERS WITH RESPECT TO THE SUBJECT MATTER HEREOF.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 4th day of March, 2008.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 18th day of March, 2008.

CITY OF WESLACO
/s/ Buddy de la Rosa, MAYOR

ATTEST:
/s/ Amanda C. Elizondo, CITY SECRETARY
APPROVED AS TO FORM:
/s/ Ramon Vela, CITY ATTORNEY

II. PUBLIC COMMENTS

A member of the public or the governmental body may make comments on subjects for which notice has been given and which are on the agenda Section 551.042, Texas Open Meetings Act. Public comments will be limited to three (3) minutes.

There were no comments from the audience.

III. CITY MANAGER'S REPORT

- A. Approval to accept a donation from Apache Corporation in the amount of \$500.00 to the City of Weslaco for the purchase of children's books for the upcoming Summer Reading Program. Possible action.

Mr. Covacevich state Apache Corporation was donating a check for \$500 to the city. He recommended accepting the donation and allocated the monies for children books to use in the Summer Reading Program.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner S. Gonzalez to accept the \$500 donation from Apache Corporation.

At this time, Mayor de la Rosa presided over the meeting.

Commissioner S. Gonzalez recommended the monies be allocated every year to the Children Reading Program.

Motion carried unanimously.

- B. Discussion and consideration to accept the 2007 Weslaco Police Department Racial Profiling Report. Possible action.

Mr. Covacevich stated the report was based on the population, violations and citations. He added Captain Ted Walanski and Lieutenant Michael Kelly were present to answer any questions.

Mayor de la Rosa stated the trend set by the Weslaco Police Department was consistent with the national observation and there were no exclusions. He pointed out he was pleased with the report and complimented the Police Department for exercising the codes in a fair manner.

Commissioner S. Gonzalez stated there were no formal complaints.

Motion was made by Commissioner A. Gonzalez and seconded by Commissioner S. Gonzalez to accept the report as presented. Motion carried unanimously.

IV. MAYOR'S REPORT

- A. Recognition of Volunteers for Estero Llano Grande Birding Center.

Ms. Macie Martinez introduced Jennifer Owen, Parks Natural Resource Specialist and stated the Texas Parks and Wildlife had a program for volunteers who stayed in state parks for three months out of the year. She mentioned this year they had six volunteers, two left for the season and two were not able to make it.

Mayor de la Rosa presented a certificate to Charles and Christine Williamson for their dedication and commitment as park volunteers.

- B. Recognition of Park Workers, Winners of the Regional Maintenance Rodeo and approval to allocate \$1,050.00 from the Parks and Recreation Department Budget for park workers to compete in the State Maintenance Rodeo in San Angelo, Texas on March 26, 2008. Possible action.

Pete Garcia, Parks & Recreation Director, stated several of the parks and recreation employees had participated in the Regional Maintenance Rodeo Competition and were the defending champs and valley champs. He indicated the employees would be competing statewide.

Mayor de la Rosa recognized the following employees: Teodoro Nevarez; Tony Vargas, Marcos Ivanis, Eusebio Ramirez, Martin Garcia and Juan Vicente Reyes and congratulated them for their accomplishments.

Mr. Covacevich stated Mr. Ramirez, Mr. Ivanis and Mr. Nevarez would be competing statewide and would be representing the City of Weslaco and the South Texas area.

Motion was made by Commissioner A. Gonzalez and seconded by Mayor Pro-Tem Cuellar to approve the expenses as presented. Motion carried unanimously.

V. NEW BUSINESS

- A. Discussion and consideration to approve a request from Andres Ramirez to sell beer and wine on premises at Kato Sushi Restaurant located on 2017 Highway 83 W., Suite 7 and 8. Possible action.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner A. Gonzalez to approve the item as presented. Motion carried unanimously.

- B. Discussion and consideration of a request from Mr. William Cameron Mansilla representing the City of Ocampo, Tamaulipas, Mexico for the City of Weslaco to donate certain fire protection equipment and a 1991 Ford F250 300 gallon brush truck for them to combat grass fires in their area and instruct the City Attorney to prepare the interlocal agreement. Possible action.

Eddie Anzuldua, Administrative Assistant, stated Mr. William Cameron Mansilla representing the City of Ocampo, Tamaulipas, Mexico was requesting a donation from the City of Weslaco for certain fire protection equipment and a 1991 Ford F250 300 gallon brush truck to combat grass fires. He added the brush truck was not operable.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the item as presented and instruct the City Attorney to prepare an interlocal agreement for the donation of the equipment. Motion carried unanimously.

C. Discussion and consideration to accept the recommendation from Don Vandertulip, P.E. of CDM, Inc. to award the Street Asphalt Recycling Project 2007 Bond Issue to the lowest responsible bidder. Possible action.

Mr. Covacevich stated the city received two bids and recommended to award the Street Asphalt Recycling Project/2007 Bond Issue to Cutler Repaving Company in the amount of \$614,838.89 to resurface the streets.

Motion was made by Commissioner A. Gonzalez and seconded by Mayor Pro-Tem Cuellar to approve the bid from Culter Repaving in the amount of \$614,838.89.

Mayor de la Rosa stated it appeared there was a saving of \$500 when actually there was an over budget of a quarter million dollars. He asked if they had to reduce the amount of streets because the city had budgeted only \$674,000. Mayor de la Rosa mentioned the bid was for \$869,000.

Mr. Covacevich he was recommending \$614,838.89 and the bid was based on a per unit basis. He pointed out the streets were listed on the handout and it did not reflect the total streets that had been previously presented. Mr. Covacevich stated the remainder of the funds was for engineering fees.

Motion carried unanimously.

For the record, the following bids were received on March 17, 2008 for 2007 Bond Issue Program, Street Resurfacing Project.

<u>BIDDER</u>	<u>BID AMOUNT</u>
Cutler Repaving	\$ 869,533.79
IOC Company	\$1,330,920.00

For the record, the following streets were approved:

Pike Blvd. from Westgate Dr. to Border Ave.
 Westgate Dr. (Mile 6W) from 350' south of the intersection of 6th St. to U.S. Business Hwy 83
 Border Ave. from 6th St. to U.S. Business Highway 83
 Plaza St. from Texas Blvd. to Bridge Ave.
 Calle Lee Garza from Dead End West of Sinclair Ave. to Bridge Ave.
 Esplanada St. from Calle De La Republica to Missouri Ave.
 12th St. from Border Ave. to Texas Blvd.
 Esplanada St. from Utah Ave to Airport Dr.
 Padre Ave. from Pike Blvd. to Dead End

Corto St. from Pat Cannon to Dead End

- D. Discussion and consideration to approve final payment to JLV Utility Construction, LCC in the amount of \$31,033.90 for services rendered in connection with the Year 19 Water Line Projects. Possible action.

Mr. Covacevich recommended approval of the final payment to JLV Utility Construction, LCC in the amount of \$31,033.90.

Motion was made by Commissioner Rodriguez and seconded by Commissioner A. Gonzalez to approve the recommendation of the City Manager. Motion carried unanimously.

Mayor de la Rosa moved the order of the agenda and proceeded with the following item.

- F. Discussion and consideration to approve a budget amendment in the amount of \$5,500.00 for Homeland Security to fund hazardous materials training and certification for five Weslaco fire fighters and the purchase of one surplus 2½ ton high profile vehicle to be used for wild land fires and evacuation of citizens from flooded or potential flood situations. Possible action.

Mr. Covacevich stated the budget amendment was for \$5,500 for certification of five Weslaco fire fighters and a 2 ton truck. He pointed out the funds would be derived from the General Fund and would increase the assets.

Mayor de la Rosa requested for the Fire Department to take the funds from their department's training and travel budget line item as opposed to amending the budget.

Mr. Covacevich recommended taking no action on this item.

Mayor de la Rosa returned to Item E.

- E. Status report from Martha Noell, Executive Director of the Weslaco Area Chamber of Commerce regarding chamber activities. Possible action.

Martha Noell, Executive Director of the Weslaco Area Chamber of Commerce, highlighted her report. She added they were working on the details of the Onion Festival and one of the entertainers would be shooting a video. Ms. Noell indicated they had redone their web site and along with the city's and EDC's websites they were projecting a good image to the public. She pointed out she had gotten a report from the Texas Economic Development and Tourism Office and it included Weslaco. Ms. Noell mentioned tourism was a major part of the economy and it depended on the growth of Weslaco. She stated they had done a lot of advertising around the state.

- G. Discussion and consideration to enter into a Maintenance and Service Agreement with TRANE U.S., Inc. for annual inspection, maintenance and/or repair services for the New City Hall air condition system located at 255 S. Kansas Avenue for yearly cost of \$2,980.00 and authorize the Mayor to execute the agreement. Possible action.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the item as presented. Motion carried unanimously.

- H. Discussion and consideration to authorize the Mayor to execute Year 2007 Homeland Security Grant Sub-Recipient Agreement as a continuation of the Homeland Security Grant funds to equip the Weslaco First Responders (Fire, Police, Public Works and Emergency Management) with proper equipment to respond to local and regional emergencies. Possible action.

Mr. Covacevich stated the city had gotten over \$200,000 in grants and there was a list of \$65,000 worth of equipment from the Department of Emergency Management. He recommended approval of the agreement.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the agreement as presented and authorize the Mayor to execute it. Motion carried unanimously.

- I. Discussion and consideration to award professional services contracts to the following engineering and consulting firms in relations to the 2007 Bond Issue and authorize the Mayor to execute all contracts. Possible action.

1. Sigler, Winston, Greenwood & Associates
2. Guzman & Munoz Engineering
3. Ueckert Engineering
4. Halff Associates, Inc.
5. TESDI Infrastructure Group
6. Cruz-Hogan Consultants, Inc.
7. R.E. Garcia & Associates
8. J.E. Saenz & Associates, Inc.
9. CDM

Mayor de la Rosa stated they were trying to implement and use the entire 2007 Bond Issue funds as quickly as possible to provide services to the community. He mentioned the handout listed all the professional contracts except for the Library Project, Water and Wastewater Plants.

Mari Bird, representative for CDM stated the City Commission had recommended approval for Cutler Repaving to begin the street resurfacing. She recommended approval

of the following engineering firms: Sigler, Winston, Greenwood and Associates for an additional \$8,146 for the repaving of the street; Guzman and Munoz - two lift stations and negotiated one contract for \$56,000; Ueckert Engineering - manhole replacement program, painting of the west water tower and Lift Station #6 - \$67,002; Halff Associates, Inc. - new receiving well for the North Sewer Plant and replacement of the existing head works - \$297,060; TESDI Infrastructure Group - approved at the previous meeting; Cruz-Hogan Consultants, Inc - Lift Station #1 - \$68,300; R.E. Garcia & Associates - Lift Station #12 - \$47,800; J.E. Saenz & Associates, Inc. - Lift Station #4 and Lift Station #11 - \$49,000; VA Architecture - New Sewer Plant Building - \$18,000. Ms. Bird mentioned the generator would be relocated and the new generator for the South Wastewater Plant would be done in-house.

Mr. Covacevich stated the engineering firms would be paid the following percentages for their services: Sigler, Winston, Greenwood and Associates - 9%; Guzman and Munoz - 10.3%; Ueckert Engineering - 11.6%; Halff Associates, Inc. - 17%; TESDI Infrastructure Group - 17.6%; Cruz-Hogan Consultants, Inc - 11.3%; R.E. Garcia & Associates - 9.5%; J.E. Saenz & Associates, Inc. - 12.2%; and VA Architecture - 12%. He added the difference in the percentages was based on the difficulty of the work that would be performed.

Ms. Bird stated the percentages were for the engineering work and was based only on basic services. She mentioned Mr. Covacevich was stating total percentage for total services including additional services they have to perform such as survey.

Mayor de la Rosa stated that 17% of the total project was a horrendous amount of money.

Ms. Bird stated the new receiving well at the North Sewer Plant and replacement of the existing head works was a very complex project.

Mr. Covacevich referred to the TEDSI Project and stated the city was doing the engineering and the county would fund 50% of the construction cost both on Border and Sugar Cane.

Mayor de la Rosa stated the engineering fees had always been between 6 and 9%, and some of these percentages were extremely high and wonder if the funds were being spent appropriately. He mentioned they might have to reduce some street projects because of the engineering fees and other expenditures. Mayor de la Rosa stated they were trying to save money to have as much done for the city. He recommended that they revisit these amounts to see if there were other engineering firms that could do the job for less than 17%.

Ms. Bird stated the city could get a better design product with a higher the percentage and could minimize the change orders in the construction field maximizing the dollars. She stated the quality of the engineering work was important so that the contractors could get a good set of plans and specifications to meet the city's needs.

Mayor de la Rosa asked Ms. Bird if she could guarantee that there would be no change orders.

Ms. Bird responded there was no guarantee.

Mayor de la Rosa stated the city was paying a high amount because he understood that there would be no change orders.

Ms. Bird stated they felt the fees were fair and reasonable.

Mayor de la Rosa stated the percentages ranged from 9% and as high as 17%. He asked if they had look at several different firms for the work that was being recommended for TEDSI Engineering.

Mr. Covacevich stated the City Commission had agreed on the list of the engineers at the previous meeting and the projects were selected based on the engineers' qualifications. He mentioned the work on the overlaying of streets used to be 4 to 5% and was currently at 9% due to the cost increase of oil and gas. Mr. Covacevich indicated the project estimates that had been done earlier were now different.

Commissioner S. Gonzalez stated the planning and preparation was very important to the success of the projects.

Mayor de la Rosa stated there was no assurance from the engineers or the change orders. He referred to Mr. Covacevich's comment on the percentage of 5% for the street overlaying project and stated 9% was still within the range for the professional fees. Mayor de la Rosa told Ms. Bird that he hoped she would do the best for the money because the City Commission needed to look at the project costs and assure the citizens that this was the best percentage they could obtain from the engineers. He added he was concerned about the 17% on the engineering fees. Mayor de la Rosa pointed out there was nothing on the list regarding the Library Project for \$200,000, Water Plant and Sewer Plant that was being done by CDM.

Mr. Covacevich stated they needed to vote on Items 1 through 8 in order to discuss Item No. 9.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve Items 1 through 8 except for 9 as shown on the handout. Motion carried unanimously.

Mr. Covacevich recommended CDM for the work described in Item No. 9, (Water and Sewer Plants). He indicated the amount of the bond issue for the water and wastewater treatment plants was over the scope of services. Mr. Covacevich added Ms. Bird and him had discussed the project, scales and economy of the plants. He recommended concentrating on doing one plant instead of both and allocating \$12.3

million for the Sewer Plant. Mr. Covacevich stated he had discussed the idea with OMI about doing the necessary improvements to the Water Plant for additional capacity and upgrading the filters. He indicated there were other things they could do for less money to increase the water capacity.

Randy Winston, City Engineer stated the North Sewer Plant was in poor condition. He mentioned the city needed to add more capacity to the wastewater plant to increase capacity and other issues such as the water well.

Mayor Pro-Tem Cuellar stated the city had \$50 to \$70,000 to do repairs to meet the city needs.

Mr. Winston pointed out there were commitments from subdivision developments and this would exceed the required capacity. He stated any new additions would require a lot of money.

Mayor de la Rosa stated these projects had been discussed and studied to develop the best recommendations and allocation of cost to include in the 2007 Bond Issue. He added the City Commission was now being asked to change the recommendations and allocate 100% into the Sewer Plant. Mayor de la Rosa asked the City Manager if that was his recommendation.

Mr. Covacevich stated he was recommending utilizing some of the funds in the existing Water Treatment Plant to increase the water capacity and use the majority of the funds on the Sewer Plant Project.

Ms. Bird stated there would be a saving in the operation and maintenance due to less electricity used to pump the sewer to the new receiving well.

Mayor de la Rosa stated a study had been done to bring both plants up to standards and was hesitant to vote without reviewing the study. He recommended that a workshop be held to divert monies away from both of these projects.

Mr. Covacevich stated \$7.5 million had been budgeted for the Sewer Plant and \$4.8 million for the Water Plant.

Mayor Pro-Tem Cuellar asked Ms. Bird if that was her recommendation.

Ms. Bird stated the City Manager's point was the best direction and could come up with a plan for both of the projects.

Mayor de la Rosa stated his concern was that the city had only one water plant and the City Manager's recommendation was to divert all the money from the water plant to do improvements. He mentioned the city had two sewer plants and the city could divert the flow to the south plant.

Mr. Covacevich recommended to renovate the old plant to a level the city felt comfortable. He added OMI was recommending the repairs to increase the capacity and concentrate on the sewer plant.

Commissioner S. Gonzalez requested that Filemon Olvera, OMI Representative and David Salinas, Public Facilities Director to be present at the workshop.

Mr. Winston stated that in reviewing the master plan and growth of Weslaco suggested they could relocate the plant and look at the cost per square foot. He added maybe the city could use the land for reinvestment along the Expressway Frontage.

Mayor de la Rosa recommended a workshop because the water plant needed attention and the City Commission needed to have a better understanding of what would be done and how.

Mr. Covacevich stated the City Commission needed to decide what procurement method they wished to use. He mentioned on big projects there was Construction Management or bid out the projects.

Mayor Pro-Tem Cuellar recommended a workshop and meeting to take action at the same time.

Mr. Covacevich asked Ms. Bird for updated information on recent construction plants.

Mayor de la Rosa asked Mr. Winston to develop Option 1 and 2 and to work together because they were talking about future land usage.

Mayor Pro-Tem Cuellar asked Jim Hiebert, Finance Director if the maintenance and operations were lower would the city be able to go out for a bond.

Mr. Hiebert responded it could place the city closer in that direction to solicit for more bonds.

Mayor de la Rosa stated a workshop would be held to discuss Item I, #9 on Tuesday at 5:30 p.m. and a Special City Commission Meeting would be posted immediately following the workshop.

J. Discussion and consideration on the selection of a procurement method for the construction of the 2007 Bond Issue Water and Sewer Plants Projects.
Possible action.

Mayor de la Rosa recommended taking no action on the above item until after the workshop on Tuesday, March 25, 2008.

- K. Discussion and consideration of a Change Order to extend the project deadline for the Texas Boulevard Streetscape Project until the completion of the project due to rain days, installation of Pike Street Light and the Christmas Holiday Season. Possible action.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the change order as presented. Motion carried unanimously.

- L. Discussion and consideration to approve Resolution No. 2008-05 supporting the continuation of funding of the USDA-ARS Research Center in Weslaco. Possible action.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve Resolution No. 2008-05.

Mayor de la Rosa stated it was important to support the USDA-ARS Research Center and asked for the City Manager to contact Kika de la Garza and to write a letter of support.

Motion carried unanimously.

For the record, Resolution No, 2008-05 read as follows:

RESOLUTION NO. 2008-05

STATE OF TEXAS	§	RESOLUTION IN SUPPORT FOR CONTINUED FUNDING OF
COUNTY OF HIDALGO	§	THE USDA-ARS RESEARCH CENTER IN WESLACO.
CITY OF WESLACO	§	

WHEREAS, The City Weslaco is a member of the Regional Council of Government serving Cameron, Hidalgo, and Willacy Counties; and,

WHEREAS, in this role the LRGVDC is directly involved in the planning and implementation of many regional projects within South Texas; and,

WHEREAS, the LRGVDC serves as the designated political subdivision providing administrative and fiscal services for numerous regional entities such as the Rio Grande Regional Water planning Group (RGRWPG-Region M) encompassing the eight (8) counties of Cameron, Hidalgo, Willacy, Starr, Zapata, Jim Hogg, Webb, and Maverick, and the Rio Grande Regional Water Authority (RGRWA) including the six (6) counties of Cameron, Hidalgo, Willacy, Starr, Zapata, and Webb; and,

WHEREAS, in these capacities the LRGVDC works closely with the USDA-ARS Research Center in Weslaco on a multitude of research projects which are critical to the economic future of this border region, Texas, and the Nation; and,

WHEREAS, examples of these critical projects include: biological control of water-using invasive weeds including, Arundo, Saltcedar, Hydrilla and Water Hyacinth; vegetable, citrus and cotton pest management; sterile insect treatment - citrus fruit flies; quarantine treatment of fruit; remote sensing; honey bees; and organic farming; and,

WHEREAS, these critical research projects require a minimum annual Federal appropriation of 9 million

dollars; and,

WHEREAS, President George W. Bush's proposed 2009 Budget submitted to Congress on February 4, 2008 recommends reduced finding for rural development forestry, conservation, and research activities to \$1,037,016,000 which is a net decrease of \$84,025,000 from current finding levels; and,

WHEREAS, these proposed budget reductions if approved by Congress would result in the closure of the only Agricultural Research Service (ARS) location in the state of Texas which is in Weslaco, Hidalgo County, Texas in the heart of the Lower Rio Grande Valley; and,

WHEREAS, if this closure is allowed to take place, the termination of critical research projects currently underway at the ARS in Weslaco, Texas would have an immediate and long lasting negative economic impact to South Texas, the State of Texas and The United States of America.

NOW THEREFORE, BE IT RESOLVED THAT THE WESLACO CITY COMMISSION urgently recommends to members of Congress to provide for adequate funding in FY 2009 to allow for the continuation of research projects at the ARS location in Weslaco, Texas.

PASSED AND APPROVED on this 18th day of March, 2008.

CITY OF WESLACO
/s/ Buddy de la Rosa, MAYOR

ATTEST:
/s/ Amanda C. Elizondo, CITY SECRETARY
APPROVED AS TO FORM:
/s/ Ramon Vela, CITY ATTORNEY

Mayor de la Rosa moved the order of the agenda and proceeded with the Addendum Items.

I. NEW BUSINESS

- A. Discussion and consideration to approve a budget amendment in the General Fund in the amount of \$25,000 for the purchase of items for communications with funds provided by the Lower Rio Grande Valley Development Council (LRGVDC). Possible action.

Mr. Covacevich stated the city had received the money, but had not spent it and requested authorization to spend.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner S. Gonzalez to re-appropriate the funds in order to spend them. Motion carried unanimously.

- B. Discussion and consideration of a letter supporting the ongoing efforts of the Rio Grande Valley Sugar Growers to modernize operations while producing renewable energy via the combustion of bio-mass otherwise considered solid waste and authorize the Mayor to execute the letter. Possible action.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner S. Gonzalez to approve the item as presented. Motion carried unanimously.

- C. Discussion and consideration of amending Resolution No. 2003-15 to reflect the \$91,000 payment to Francisco Castellanos as settlement for damages and not severance pay and authorizing the Finance Department to void the 1099 issued to Mr. Castellanos in 2003 and issue a 1096. Possible action.

Mayor de la Rosa asked what action could be taken to address this request. He added this was a personal item that affected Mr. Francisco Castellanos and his family and would like to have a 1096 IRS Form as opposed to 1099 IRS Form.

Mr. Covacevich stated that a memo from City Attorney had been provided to the City Commission stating the action if approved. He added he had asked the Law Firm of Denton, Navarro to represent the city on this issue to provide a legal opinion.

Allan Ozuna, attorney with Denton and Navarro, stated they had reviewed the resolution passed on 2003 and settlement agreement. He pointed out the resolution referred to severance pay and settlement agreement referred to as severance compensation. Mr. Ozuna indicated there was a clause in the agreement that settled any potential claims that may arise out of the employment relationship with Mr. Castellanos and the city. He stated in terms of the IRS it would not matter to them how the parties decided on how they wished to characterize the settlement proceeds. Mr. Ozuna indicated they would apply their own standards and may or may not agree with the standards of the city. He pointed out case law indicated that the IRS was not bound by the characterization of the party. Mr. Ozuna stated they would do their own independent research and analyze on a case by case basis. He added if it did not relate to damages that were physical in nature such as personal injury, personal physical injury or personal illness. Mr. Ozuna stated the IRS would not honor the tax consideration that Mr. Castellanos was seeking. He mentioned whatever the city did may not benefit Mr. Castellanos. Mr. Ozuna indicated there could be a potential for the IRS to scrutinize the city's transaction a little closer by an audit. He recommended for the city not to take any action in regards to Mr. Castellanos' request because it was a done deal. Mr. Ozuna pointed out the settlement proceeds was consistent with the resolution and compromise settlement agreement and made specific provisions with regards to the tax treatment. He indicated that the claimant under this agreement was responsible for any tax consequence that was provided under the \$91,000 proceeds.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner S. Gonzalez to amend Resolution No. 2003-15 to reflect the \$91,000 payment to Frank Castellanos as a 1096 as opposed to 1099 that the city voids the 1099 and re-issue a 1096. Motion carried unanimously.

- D. Discussion and consideration concerning the 2007 annual report for the Weslaco Firefighter Relief and Retirement Fund for the twelve months ended September 30, 2007. Possible action.

Mr. Covacevich stated in the last audit it was brought up to the city's attention that the Firefighter Retirement Fund was not earning a proper amount and the report showed an increase in the rate of return. He mentioned they had taken proper action and the city was not subject to any liability.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner A. Gonzalez to accept the annual report. Motion carried unanimously.

ADDENDUM ITEM-2

I. NEW BUSINESS

- A. Discussion and consideration of entering into an Interlocal Reimbursement Agreement with TX DOT for the Expressway 83 Landscaping Project that was acted by the Weslaco City Commission on November 6, 2007. Possible action.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the agreement as presented. Motion carried unanimously.

Mayor de la Rosa proceeded with the regular order of the agenda.

VI. EXECUTIVE SESSION

At 6:30 p.m., Tuesday, March 18, 2008, Mayor de la Rosa announced the City Commission would convene in executive session to discuss the following items and recessed the regular meeting.

At 7:05 p.m., Tuesday, March 18, 2008, Mayor de la Rosa announced the City Commission had completed its executive session and declared the regular meeting opened to the public.

- A. Discussion with City Manager and City Attorney regarding the sale of real property owned by the City of Weslaco. Possible action of what is discussed in executive session.

Mayor de la Rosa announced no action would be taken on this item.

- B. Discussion and consideration of approving an economic development incentive of (a) over one hundred thousand dollars (\$100,000.00) by the Economic Development Corporation of Weslaco to a furniture distribution center to locate in Weslaco and (b) a request for a sales tax rebate for all

sales from the proposed center. Possible action of what is discussed in executive session.

Mayor de la Rosa stated there would be no action on this item.

- C. Discussion with the City Manager and City Attorney regarding the purchase of real property. Possible action of what is discussed in executive session.

Mayor de la Rosa stated the City Commission instructed the City Manager to continue looking into this item and report back to them on the findings.

Motion was made by Commissioner A. Gonzalez and seconded by Commissioner Rodriguez to adjourn the meeting. Motion carried unanimously.

CITY OF WESLACO

MAYOR, Buddy de la Rosa

ATTEST:

CITY SECRETARY, Amanda C. Elizondo

MAYOR PRO-TEM, J. F. "Johnny" Cuellar

COMMISSIONER, Soyla R. Gonzalez

COMMISSIONER, Adrian Gonzalez

COMMISSIONER, Rene Rodríguez, Jr.

GOVERNMENT
EXHIBIT
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